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TRANSENER S.A. REPORTS FISCAL YEAR 2011 RESULTS

Buenos Aires – March 7, 2012 – Transener (The "Company") (BASE: TRAN), Argentina's leading electricity transmission company, today reported a consolidated net loss of Pesos 68.3 million (Pesos 0.154 per share) for the fiscal year ended December 31, 2011.

Consolidated net sales for the fiscal year ended December 31, 2011 resulted in Pesos 628.3 million, 7.6% higher than the Pesos 583.8 million for last year, principally due to an increase of (i) Pesos 30.3 million in the Fourth Line canon and (ii) Pesos 38.0 million in other net revenues, partially offset by (iii) a decrease of Pesos 23.8 million in electricity transmission revenue, net.

The decrease in electricity transmission revenue, net, was originated mainly by a decrease of: (i) Pesos 34.2 million in the recognition of revenue following the execution of the Instrumental Agreements entered into by Transener and Transba with the Secretariat of Energy ("SE") and the ENRE (See "Tariff situation and regulatory aspects") and (ii) Pesos 7.8 million in Other regulated revenues, mainly due to a decrease of Pesos 5.4 million in quality service rewards, partially offset by (iii) a decrease of Pesos 17.0 million in the penalties.

The increase in the Fourth Line canon, net, was originated principally by the recognition and approval of the increase of major costs as from July 2010, by the ENRE, through Resolution 150/2011 (See "Fourth Line").

The increase in other net revenues was originated mainly due to an increase of (i) Pesos 29.8 million from Transener's revenues, mainly Pesos 12.6 million in operation and maintenance services, Pesos 10.0 in supervision services and Pesos 7.8 million in works for third parties and (ii) Pesos 8.1 million from its subsidiary Transba.

Consolidated operating and administrative costs for the fiscal year ended December 31, 2011 amounted to Pesos 613.8 million, 26.0% higher than the Pesos 487.2 million for last year, principally due to an increase of: (i) Pesos 88.8 million in Salaries and social security charges and (ii) Pesos 13.7 in Works for third parties.

Consolidated other income and expenses for the fiscal year ended December 31, 2011 resulted in a net loss of Pesos 0.03 million, in comparison with a net profit of Pesos 5.1 million for last year, mainly originated in a decrease in the collection of insurance recoveries during the year.

Consolidated financial results for the fiscal year ended December 31, 2011 resulted in a net loss of Pesos 67.7 million, in comparison with a loss of Pesos 6.6 million for last year, mainly due to (i) a decrease of Pesos 48.0 million in interests generated by assets principally due to the lower recognition of interest from the Instrumental Agreements entered into with the SE and the ENRE, and (ii) an increase of Pesos 11.1 million in the exchange difference losses, net.

Income tax charges for the fiscal year ended December 31, 2011 resulted in a profit of Pesos 8.9 million, in comparison with a loss of Pesos 53.1 million for last year, mainly due to a decrease of Pesos 22.5 million in the deferred tax charge and of Pesos 39.5 million in the income tax payable.

Financial situation

During December, 2011, Transener repurchased Series 2 Notes for a nominal value of US$ 2.0 million. During the third quarter 2011 the Company has not cancelled notes.

As of December 31, 2011, consolidated outstanding principal debt of the Company amounts to US$ 156.5 million and, as a consequence of the refinancing of the Series 1 Notes in August 2011, the Company has not significant principal maturities until year 2021.

Regarding the Transener's qualifications, S&P maintained the local qualification in "raBBB+" stable and the global qualification for foreign and local currency in "B-" stable.

CAMMESA Financing – Resolution SE 146/2002

The situation of the disbursements received by the Company at the end of the fiscal year is as follows:

	CAMMESA Financing - Disbursements received		
	Principal	Accrued Interests	Total
	Millions of Pesos		
12/05/2009 - 31/12/2010	132.6	10.0	142.6
1/01/2011 - 17/01/2011	7.0	0.8	7.8
18/01/2011 - 31/12/2011	85.0	-	85.0
	224.6	10.8	235.4

The liabilities for the total amount of disbursements received as from December 31, 2011, have been cancelled through the cession of credits resulting from the recognition of the

variations of costs, according to the Instrumental Agreements. After December 31, 2011 and up to date, the Company has received disbursements for the amount of Pesos 9.0 million.

In addition, on September 27, 2010, Transener entered into a financing agreement with CAMMESA under the same terms and conditions for up to US$ 2.3 million, in order to afford works of maintenance in the 500 kV circuit breakers of the Alicurá substation. As of December 31, 2011, Transener certified Pesos 1.2 million, and CAMMESA made the total disbursement of such amount. By virtue of the above-mentioned Instrumental Agreement, CAMMESA is not expected to go on making disbursements. The repayment of the amounts received will be made in eighteen installments as from January 2012, accruing an interest rate equivalent to the average yield obtained by CAMMESA in the financial investments of the WEM.

Tariff situation and regulatory aspects

The Emergency Law No. 25,561, which fixed the prices and tariffs of the public services companies' contracts in Pesos at the exchange rate of Peso 1 for each US$1, has imposed the obligation to renegotiate the concession agreements with the National Government to those companies that provide public services, such as Transener and Transba, while continuing to render the service. This situation has significantly affected the economic and financial situation of the Company and its subsidiary Transba.

In May 2005, Transener and Transba entered into the Definitive Agreements with the representatives of the Unit for the Renegotiation and Analysis of Public Utility Contracts ("UNIREN"), which contain the terms and conditions for the renegotiation of the Concession Contracts, which had been ratified by National Executive Branch Decrees Nos. 1,462/05 and 1,460/05, respectively, on November 28, 2005.

According to the guidelines stated in the mentioned Definitive Agreements, the following was foreseen: i) to carry out a Full Tariff Review ("FTR") before the ENRE and to determine a new tariff regime for Transener and Transba, which should have come into force during the months of February 2006 and May 2006, respectively; and ii) the recognition of the major operating costs incurred in the interim period up to the moment in which the tariff regime comes into force as a consequence of the above-mentioned FTR.

Since 2006 Transener has communicated to the ENRE the need to regularize the fulfillment of the commitments settled in the Definitive Agreement, describing the breaches of commitments established in that Agreement on behalf of said regulatory authority, the serious situation arising from such breaches, and its availability to continue with the FTR process, as long as the remaining commitments assumed by the parties continue in force, and the new tariff regime arising from the FTR process is resolved. Transba has presented before the ENRE similar requirements to those of Transener's but adapted in terms of time and investment, as provided in the Definitive Agreement.

On July 30, 2008, through Resolutions SE No. 869/08 and 870/08, the SE extended the contractual transition period for Transener and Transba, respectively, up to the effective enforcement of the regime resulting from the FTR, thus fixing such date for February 2009.

Transener and Transba submitted their respective tariff proposals, based on the term stated in the Definitive Agreements, and also in accordance with the Law No. 24,065, for

the purpose of dealing with the matter, calling for a Public Hearing and defining a new tariff regime.

In spite of that, as of December 31, 2011, the ENRE has not called for a Public Hearing yet, and did not deal with the tariff requirements demanded by Transener and Transba within the FTR framework.

On the other hand, due to the increase in labor and operating costs incurred from 2004 until now, Transener and Transba, every quarter continued certifying the costs variations actually incurred, filing the respective claims before the ENRE, in order to readjust the Company's regulated remuneration according to the clauses established in the Definitive Agreements for such purpose.

In that sense, and notwithstanding a partial adjustment on account of for the result of the FTR, which was set forth as from July 1, 2008 through ENRE Resolutions N° 327/08 and 328/08, Transener and Transba, have unsuccessfully requested the ENRE to schedule the administrative acts for the recognition in the tariff of the cost increases occurred after the Definitive Agreements have been entered into, which led to the initiation of judicial claims.

The UNIREN has stated that the mechanism of monitoring of costs and regime of service quality had been foreseen up to the enforcement of Transener and Transba's respective FTR and that the delay in the definition of said process is not attributable to the Concessionaires and it could not lead to undermine their rights.

On December 21, 2010, the Instrumental Agreements (the "Instrumental Agreements") related to the Definitive Agreements were entered into with the SE and the ENRE, setting forth as follows:

(i) the recognition of Transener and Transba´s credits resulting from the variations of costs occurred during the period June 2005 – November 2010, which have been calculated according to the costs variation index (CVI) foreseen in the Instrumental Agreements,
(ii) the mandatory cancellation of the financing received from CAMMESA, through the cession of credits resulting from the recognition of the above-mentioned variations of costs,
(iii) a mechanism of cancellation of the pending balances, during 2011
(iv) the recognition of an additional amount to receive from CAMMESA for capital expenditures in the system, for an amount of Pesos 34.0 million for Transener and Pesos 18.4 million for Transba,
(v) a procedure for the updating and payment of the cost variations, arising from the sequence of the semesters as from December 1, 2010 up to December 31, 2011.
(vi) the withdrawal of the judicial claims for delay, asking for the recognition of major costs and the need of calling a Public Hearing in order to carry out the FTR.

CAMMESA made an estimation of the amounts owed to Transener and Transba due to variations of costs occurred during the period June 2005 – November 2010 up to January 17, 2011. The mentioned amounts were as follows:

Differences for Connection and Capacity	Millions of Pesos		
	Transba	Transener	Total
Principal	75.9	189.3	265.2
Interests	43.2	104.8	148.0
Total	119.1	294.1	413.2

The results arising from the recognition of the variation of costs on behalf of the Secretariat of Energy and the ENRE has been registered up to the amounts received through the CAMMESA Financing. Consequently, Transener has recognized revenues for the amount of $ 19.8 million and $ 47.9 million and interest income for the amount of $ 22.0 million and $ 61.7 million, for the fiscal years ended December 31, 2011 and 2010, respectively.

In the same way, Transba has registered results due to the recognition of the variations of costs on behalf of the Secretariat of Energy and the ENRE up to the amounts received through the CAMMESA Financing. Consequently, Transba has recognized revenues for the amount of $ 7.8 million and $ 14.0 million and interest income for the amount of $ 9.7 million and $ 19.0 million, for the fiscal years ended December 31, 2011 and 2010, respectively.

According to what was stated in the Instrumental Agreements, on May 2, 2011 new extensions of the Financing Agreements (Addendas II) were entered into with CAMMESA, which provide the following: i) the amounts received as of January 17, 2011 by Transener and Transba by virtue of the loans granted by the CAMMESA Financing would be cancelled, ii) a new loan for Transener and Transba for the amount of Pesos 289.7 million and Pesos 134.1 million respectively, corresponding to the credits recognized by the SE and the ENRE resulting from the variations of costs occurred during the period June 2005 – November 2010 would be granted, and iii) all the amounts owed to the Company by mayor costs as of November 2010 under the Instrumental Agreements would serve as a guarantee for the Addendas II.

It must be pointed out that the funds that comprise the new loans under the Addendas II will be destined to the operation and maintenance and to the 2011 capital expenditure plans; and will be disbursed through partial payments in advance according to the availability of funds on behalf of CAMMESA, according to the instructions of the SE.

However, such commitments are not being met in full since as of December 31, 2011 the amounts received from CAMMESA do not reach 21% of the corresponding amounts for variations of costs from June 2005 to November 2010, and the Company did not receive any amount for the remuneration adjustment that should have been applied from December 1, 2010.

CAMMESA continued to pay the remuneration to Transener and Transba, for the electric power transmission public service applying the same values as established in ENRE's Resolutions N° 328/08 and 327/08, and not applying the values indicated in the Instrumental Agreements with the cost variation adjustment, which were informed by the ENRE to the SE through Note Nº 99.866 on June 21, 2011.

Thus, the remuneration adjustments as from December 1, 2010, the payment of the credits for this concept and the interests accrued up to its effective cancellation are still pending. Said amounts should be included in new Addendas, to be entered into with CAMMESA.

Due to the delay above-mentioned, the Company asked the SE to adopt the corresponding measures in order to regularize the disbursements foreseen in the Addendas II in such a way that they are made within the deadline established in the Instrumental Agreements.

Likewise, the company asked the SE to instruct CAMMESA to proceed to carry out the extension of the Financing Agreements for the amounts resulting from the calculations made by the ENRE for the semesters initiated as from December 2010.

Fourth Line

On March 30, 2011, the ENRE issued the Resolution N°150/2011 which establishes a new annual canon of Pesos 95.9 million as from July 2010, and instructed CAMMESA to make the corresponding adjustments. The Company has recognized revenues for Pesos 10.0 million corresponding to the retroactive adjustment for year 2010 and for Pesos 20.0 million corresponding to the fiscal year ended December 31, 2011.

On April 7, 2011, the Company filed an appeal against said Resolution because the interests which correspond to the delayed payment of the retroactive adjustment of the canon have been omitted. The resolution of this appeal is still pending.

On September 7 2011, a new presentation was made to the ENRE, claiming for the recognition of the variations of costs occurred as from July 2010 up to July 2011, making the calculation based on the same methodology used by the ENRE to determine the canon approved by the before mentioned Resolution No. 653/08 and No. 150/11. Up to date, the resolution of this appeal is still pending on behalf of the ENRE.

RECENT DEVELOPMENTS

- **500 kV Transmission Federal Plan**

  The Federal Plan has been set forth by the SE and allows the bidders to use special funds, created in accordance with the plan, as part of the initial offers for the construction, operation and maintenance of the expansions of the existing network. The proposals are accepted based on the lowest price and they should count with the technical approval of both the ENRE and Transener.

  Transener, as the concessionaire of the extra high voltage electric power transmission network, is in charge of the supervision of the construction, operation and maintenance carried out by the Independent Transmitters and is entitled to receive revenues for such services.

  The most important work is Pico Truncado – Río Gallegos high voltage line, which comprises the expansion of the Pico Truncado substation, the Río Santa Cruz and Esperanza new substations and the new lines to the Río Gallegos and Río Turbio substations. The final commercial operation for the project is expected for September 2012.

  Here follows the estimated construction costs for the works in progress, Transener's estimated revenues for the supervision of the construction and the status of the works:

Works	Estimated Construction Costs	Estimated Supervision Revenues	Status
	Millions of Pesos		%
INTERCONNECTION PICO TRUNCADO – ESPERANZA - RIO TURBIO - RIO GALLEGOS	2,398	71.9	59%

- **Expansion Works**

  The SE has issued several procedures for the execution of interprovincial expansions and their financing. The investments supported by this initiative are destined to satisfy the demand in such areas where the Wholesale Electricity Market agents do not make investments.

  The expansions in ATUCHA II and Henderson and the Rodeo Calingasta HVL have been completed during the period.

  Here follows the estimated construction costs for the works in progress, Transener´s estimated revenues for the supervision of the construction and the status of the works:

Works	Estimated Construction Costs	Estimated Supervision Revenues	Status
	Millions of Pesos		
ARROYO CABRAL Substation (New substation)	155	4.6	88%
E.T. MALVINAS (Transformador de Reserva)	10,3	0,3	32 %
ATUCHA II Substation (New substation)	130	3.9	100%
Expansion of the HENDERSON 500kV Substation	55	2.0	100%
Interconnection RODEO - CALINGASTA	175	5.3	100%

- **Transener Internacional Ltda.**

  As of December 31, 2011, the investment in Transener Internacional Ltda., the accounts receivables and loans granted have been impaired due to the uncertainty of their recoverability.

SELECTED FINANCIAL INFORMATION

Consolidated Balance Sheet

	December 31, 2011	December 31, 2010
	(in thousands of Argentine Pesos)	
ASSETS		
CURRENT ASSETS		
Cash and banks	26.437	67.953
Investments	111.529	39.644
Accounts receivable	140.965	121.333
Other receivables	28.827	25.007
Total Current Assets	307.758	253.937
NON-CURRENT ASSETS		
Property, plant and equipment, net	1.465.213	1.492.017
Other receivables	51.523	40.318
Other assets	135.109	180.573
Total Non-Current Assets	1.651.845	1.712.908
TOTAL ASSETS	**1.959.603**	**1.966.845**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	41.997	44.976
Bonds and other indebtedness	18.535	52.566
Payroll and social securities taxes payable	57.369	35.614
Taxes payable	20.015	26.494
Provisions	22.466	32.101
Other liabilities	1.711	6.625
Total Current Liabilities	162.093	198.376
NON-CURRENT LIABILITIES		
Accounts payable	39.936	52.038
Bonds and other indebtedness	646.876	534.492
Payroll and social securities taxes payable	29.942	20.230
Taxes payable	25.659	34.575
Other liabilities	390	1.185
Total Non-Current Liabilities	742.803	642.520
TOTAL LIABILITIES	**904.896**	**840.896**
MINORITY INTEREST	**40.502**	**43.465**
SHAREHOLDERS' EQUITY	**1.014.205**	**1.082.484**
TOTAL	**1.959.603**	**1.966.845**

Consolidated Income Statement

	Fiscal year ended December 31,	
	2011	2010
	(in thousands of Argentine Pesos)	
Net revenues	628.260	583.760
Operating expenses	(509.929)	(401.008)
Gross profit	**118.331**	**182.752**
Administrative expenses	(103.911)	(86.164)
Operating profit	**14.420**	**96.588**
Operating profit per share	*0,032*	*0,217*
Result of investment in Transener Int. Ltda.	**(26.030)**	**(18.040)**
Other income, net	**(31)**	**5.170**
Financial and holding results, net		
Generated by assets		
Interest income	39.259	87.251
Foreign currency exchange differences	9.668	(35)
Other results generated by assets	7.409	1.405
Generated by liabilities		
Interest expense	(79.412)	(74.240)
Foreign currency exchange differences	(43.998)	(23.194)
Gain from repurchase of notes	1.761	3.356
Result from liabilities measured at fair value	(2.425)	(1.152)
Total financial results	**(67.738)**	**(6.609)**
Minority Interest in Subsidiaries	**2.185**	**(820)**
(Loss) / Income before taxes	**(77.194)**	**76.289**
Income tax expense	8.916	(53.080)
Net (loss) / income	**(68.278)**	**23.209**
Net (loss) / income per share	*(0,154)*	*0,052*

Other Data

	Fiscal year ended December 31,	
	2011	2010
	(in thousands of Argentine Pesos)	
Depreciation and amortization	122.615	122.038
Adjusted EBITDA	173.583	301.581
Capital expenditure	53.705	46.869